

Senate File 2017 - Introduced

SENATE FILE 2017

BY TAYLOR

A BILL FOR

1 An Act relating to the property tax exemption for property
2 designated to be a native prairie or wetland and including
3 effective date and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, subsection 23, paragraph a, Code
2 2014, is amended to read as follows:

3 a. Application for the exemption shall be made on forms
4 provided by the department of revenue. Land designated as
5 a protected wetland shall be assessed at a value equal to
6 the average value of the land where the wetland is located
7 and which is owned by the person granted the exemption. The
8 application forms shall be filed with the assessing authority
9 not later than the first of February of the year for which the
10 exemption is requested. The application must be accompanied by
11 an affidavit signed by the applicant that if the exemption is
12 granted, the property will not be used for economic gain during
13 the assessment year in which the exemption is granted. The
14 receipt of payments by the applicant under the federal wetlands
15 reserve program, 16 U.S.C. §3837, shall not be considered a use
16 for economic gain. If the property is used for economic gain
17 during the assessment year in which the exemption is granted,
18 the property shall lose its tax exemption and shall be taxed
19 at the rate levied by the county for the fiscal year beginning
20 in that assessment year. The first annual application shall
21 be accompanied by a certificate from the department of natural
22 resources stating that the land is native prairie or protected
23 wetland. The department of natural resources shall issue a
24 certificate for the native prairie exemption if the department
25 finds that the land has never been cultivated, is unimproved,
26 is primarily a mixture of warm season grasses interspersed with
27 flowering plants, and meets the other criteria established
28 by the natural resource commission for native prairie. The
29 department of natural resources shall issue a certificate for
30 the wetland exemption if the department finds the land is a
31 protected wetland, as defined under section 456B.1, or if
32 the wetland was previously drained and cropped but has been
33 restored under a nonpermanent restoration agreement with the
34 department or other county, state, or federal agency or private
35 conservation group. A taxpayer may seek judicial review of

1 a decision of the department according to chapter 17A. The
2 natural resource commission shall adopt rules to implement this
3 subsection.

4 Sec. 2. IMPLEMENTATION OF ACT. Section 25B.7 shall
5 not apply to this Act to the extent of any insufficient
6 reimbursement of lost tax revenue under section 427.1,
7 subsection 23, paragraph "b".

8 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
9 immediate importance, takes effect upon enactment.

10 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
11 retroactively to January 1, 2014, for assessment years
12 beginning on or after that date.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 Current Code section 427.1(23) provides a property tax
17 exemption for land designated as native prairie or land
18 designated as a protected wetland by the department of natural
19 resources if the property is not used for economic gain. This
20 bill specifies that the receipt of payments by the applicant
21 under the federal wetlands reserve program shall not be
22 considered a use for economic gain.

23 Code section 25B.7 provides that for a property tax credit
24 or exemption enacted on or after January 1, 1997, if a state
25 appropriation made to fund the credit or exemption is not
26 sufficient to fully fund the credit or exemption, the political
27 subdivision shall be required to extend to the taxpayer only
28 that portion of the credit or exemption estimated by the
29 department of revenue to be funded by the state appropriation.

30 Code section 25B.7 does not apply to the bill insofar as
31 state reimbursement for lost tax revenue is insufficient.

32 The bill takes effect upon enactment and applies
33 retroactively to January 1, 2014, for assessment years
34 beginning on or after that date.